

7/19/22

To Whom It May Concern,

I work with an honest and hard-working staff at First National Bank Minnesota, a smaller community bank in southern Minnesota. Due to the size of our bank, our staff is tasked with wearing many hats. Continuing to add regulatory burden will force us to add staff, which in turn makes it difficult for us to remain competitive and profitable.

I understand the need for the Community Reinvestment Act, its benefits, and its purpose, but I find it unfortunate and disheartening banks are not able to be fair and equitable in their practices or do not give back to their communities without being regulated on how to do so. As a community bank, it is our purpose to serve our communities and those who live in our communities.

The irony is, large banks seem to typically be the culprits engaging in unethical practices, resulting in the perceived need for further regulation across the industry. The added regulatory burden and costs associated with regulatory compliance force community banks to merge, consolidate, or sell out to larger banks. Our communities are then left with just a few large banks to choose from, many of which are focused solely on profits and have very little true interest in the health and success of the community and those who live within it.

Raising the asset thresholds, in our case to \$600 million for small banks, will allow us to remain focused on providing the best service that we can within our communities rather than spending valuable time and resources on additional tracking, paperwork, retraining staff, etc. We consistently receive positive CRA exam ratings, and we have a very good staff who naturally and through training know and understand how to treat people fairly and respectfully.

I truly fear that if measures such as increasing these thresholds are not taken, we will be inundated by HMDA, CRA, Section 1071, and the many other regulations that are deemed necessary to force banks and their staffs to do what they should have been doing all along, serving their communities, and treating all people with respect and dignity. Added regulatory burden will increase our overhead costs, forcing us to either find ways to increase our income through pricing and fees, or we will be forced to sell out like many other community banks have been forced to do, neither of which are good for fostering competitive markets or maintaining local, trusted banking options.

Thank you for taking the time to take my concerns into consideration. The decisions that you make today will have a major impact on community banks, the dedicated staff who are employed by community banks, and the communities that those employees serve.

Sincerely,



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